

HOUSE BILL No. 5254

October 14, 1991, Introduced by Reps. Harder, Bartnik, Gire, DeMars and Saunders and referred to the Committee on Insurance.

A bill to amend Act No. 218 of the Public Acts of 1956,
entitled as amended

"The insurance code of 1956,"

as amended, being sections 500.100 to 500.8302 of the Michigan
Compiled Laws, by adding section 3103a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding section 3103a to read as
4 follows:

5 SEC. 3103A. AN INSURER LIABLE TO PAY BENEFITS UNDER THIS
6 CHAPTER HAS A FIDUCIARY DUTY TO DEAL FAIRLY AND IN GOOD FAITH
7 WITH ITS INSURED AND WITH ANY OTHER PERSON ENTITLED TO RECEIVE
8 BENEFITS UNDER THIS CHAPTER. AN INSURER WHO BREACHES THE DUTY
9 IMPOSED BY THIS SECTION IS LIABLE TO THE INSURED OR OTHER PERSON

1 FOR ECONOMIC, NONECONOMIC, AND EXEMPLARY DAMAGES ARISING FROM THE
2 VIOLATION AND REASONABLE ATTORNEY FEES INCURRED BY THE INSURED OR
3 OTHER PERSON.